

SENATE BILL 2561

By Ketron

AN ACT to amend Tennessee Code Annotated, Title 50,
Chapter 7, Part 4, relative to public contracts.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 50-7-404(g)(1), is amended by deleting it in its entirety and by substituting instead the following:

(1) Any person, firm or corporation entering into a formal contract with the state or any county, municipality or political subdivision, or any public board, department, commission or institution that is a part thereof for construction or maintenance of public buildings, works or projects in which the total contract sum shall equal or exceed one hundred thousand dollars (\$100,000) and the time of performance is more than six (6) months, shall notify the department in writing of the name of all subcontractors who will furnish or who are furnishing labor in performance of the contract and whose subcontracts are in the amount of ten thousand dollars (\$10,000) or more, the notice to be given not less than thirty (30) days prior to paying the subcontractor the final five percent (5%) of the subcontract; and the contractor shall retain the final five percent (5%) for thirty (30) days following the notice or until there is compliance with subdivision (g)(2).

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.